



Office of Vermont Health Access
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www.ovha.state.vt.us
[phone] 802-879-5900

Agency of Human Services

February 12, 2009

«Provider_Full_Name»
«Provider_Address_First_Line»
«Provider_Street»
«Provider_City», «Provider_State» «Provider_Zip_Code____5»

Dear Pharmacy Manager:

The Office of Vermont Health Access (OVHA) is responsible for monitoring the integrity of Vermont's Medicaid Program consistent with the Code of Federal Regulations (42 CFR Part 455). As a result, the OVHA Program Integrity Unit is working closely with the Pharmacy Unit and has been reviewing pharmacy billing errors.

Over the years, the OVHA and its claims processing agents have provided pharmacies with extensive education in billing issues through a combination of provider manuals, mailings, telephone contacts, pharmacy bulletins, and various pharmacy alerts.

However, we continue to notice a significant and unacceptable number of billing errors. Incorrect billing practices exhaust state human and financial resources, may be indicative of fraudulent activity and must receive our collective attention.

The following are examples of the most common incorrect billing practices we have identified:

- Submitting incorrect Prescriber NPI.
- Submitting incorrect Other Coverage Codes (NCPDP Field 308-C8). An example includes:
 - Using an OCC of 4 (indicating deductible or donut hole) when the primary payer either was not billed or denied the claim.
- Omitting an amount in the "Other Payment Amount Paid" field (NCPDP Field #431-DV).
- Submitting the wrong amount in the "Other Payer Amount Paid" field. An example includes:
 - Placing \$0.01 in the field to force the Medicaid system to pay the claim when either the primary payer was not billed or denied the claim.
- Billing Medicaid as primary when other insurance exists.
- Billing Medicaid for more than one dispensing fee per 30-day period for maintenance medications.

Medicaid Program Integrity
February 10, 2009

Please understand that, as we continue to work closely with OVHA's Program Integrity Unit to identify repeated submission of inaccurate information, we have a responsibility to take whatever action is necessary to resolve the situation. These actions may include:

- Recoupment of paid claims
- Referral to the Board of Pharmacy for licensure review
- Initiation of disenrollment from the Medicaid program
- Referral to the appropriate state agency for investigation of criminal action

Please review your current billing practices to ensure they are in compliance with the Provider Manual, which we have enclosed for your convenience. For your information, an up-to-date version of the manual can always be found at: <http://ovha.vermont.gov/for-providers>. Should you have specific questions or need assistance, please feel free to contact Jennifer Mullikin at (802) 879-5648.

We appreciate your careful attention to this issue.

Sincerely,

A handwritten signature in black ink that reads "Cynthia D. LaWare". The signature is written in a cursive, flowing style.

Cynthia D. LaWare, Director
Pharmacy Benefit Programs